

Gibbons
Al Weise

ADMINISTRATIVE FILE
Anti Trust Laws
November 27, 1961

As you requested, I am enclosing a number of materials dealing with
labor unions and the anti-trust laws.
Please return after they have served your purpose.

ADMINISTRATIVE FILE

Anti-Trust

X

X

Research Department
International Brotherhood
of Teamsters
August, 1961

UNIONS AND ANTI-TRUST

The argument is made that unions are too powerful; that they act as monopolies; and that they should be under the jurisdiction of anti-trust legislation.

This line of reasoning ignores the following basic points:

- 1) A union has no power other than the willingness of its members to endure the hardships and sacrifices of strikes for objectives the members think are just and worthwhile. If they disagree with the purposes of a strike, they will not strike; or if they do strike, they will not hold out on strike for long.

Strikes are called only after a secret-ballot vote. To say that strikes are called irresponsibly is not only to deny that unions are democratic in operation but that workers act irresponsibly not only in relation to society but also in relation to the welfare of their families.

- 2) Industry has a greater power to hold out in a strike than workers. Industry sacrifices only profits (which may be made up either before or after the strike). When workers go out on strike they sacrifice food, clothing and other essentials and comforts.
- 3) Force of public opinion -- on side of employers and inevitably has some impact on worker morale. This affects union power also.
- 4) What has labor's power been used for? What labor-won gain would you now take away -- Free schools? Social Security? Collectively bargained pensions? Health and Welfare Benefits? S.U.B.?

Wage rates which permit our American workers to enjoy a decent standard of living and to buy the products and services of industry?

(NOTE: Not long ago a Fortune article, in reviewing the sad history of the 1920's prior to the 1929 depression, pointed out that one of the major causes of the depression was the failure of the trade union movement to fulfill its responsibility to push up wages in order to maintain balance between productive power and consumer purchasing power in our economy.)

Power is not good or evil in itself. The question is what power is used for. For example, we're all proud that the U.S. is a powerful nation and none of us would propose breaking it up into 48 states (as industry would break up national unions). Many of us would like the U.N., for example, to have more power to maintain peace in the world. Our problem is to assure that where power exists, it is used with responsibility.

Trade unions are a force for good in our society -- just as the church, schools, etc. They have given the workers a sense of dignity. They have helped him to raise his living standards, to send his children to school, etc. Industry proposals would scuttle the one institution which is by, for and of the worker; which seeks only a balance of power in the economic and political life of the nation.

If you start to destroy the unions as private power centers, you end up by destroying some other power centers. The destruction of all private power centers would leave only government as the sole possessor of power, and history teaches us that such a situation is greatly to be feared.

- 5) Industry's cry that unions are too powerful is a smoke-screen for those who have to deal with labor on a basis of equality.

Labor's power is not the power of money, but the right of free workers in a free society to withhold their labor in the interests of justice.

- 6) Is industry raising the "power" scare because the Teamsters, in company with other trade unions, are increasingly engaged in political activity, mobilizing men and women to perform their duty as citizens by exercising their right to vote?
- 7) You cannot have a free, democratic society without a free, strong trade union movement. Attempts to weaken the American trade union movement, on the grounds that it is "too strong" are a blow at the foundation of our present free enterprise system.

Does the business community realize that so-called "labor problems" are preferable to the type of a society where there may be no such "problems" -- but in which there are no profit problems either?

- 8) How can you speak of union power, when according to official Bureau of Labor Statistics' estimates, union membership represents only about one-fourth of the total labor force?

- 9) It is a complete distortion of economic and sociological fact to classify the activities of a labor organization as those of a monopoly. The character and purposes of unions and business organizations are fundamentally different in every aspect of comparison.
- 10) The charge that unions are too powerful is often linked to multi-plant, multi-employer bargaining; that is, unions are all right as long as they stick to one plant or company and one locality, but they constitute monopolies as soon as they branch out. Actually new forms of collective bargaining were only the answer to the changing pattern of business. Why should companies operate on a nation-wide basis and fix prices for the entire country, while the price of labor fluctuates from place to place?
- 11) Industry speaks of labor's alleged "monopoly power." What they are really after is "free competition" in the field of labor. This is what "free competition" would do to workers:

It would mean each man for himself. Each worker would have to bargain individually with the company where he sought a job. On the job, he would have to bargain individually for every raise. Everything about his job rights, seniority, work load, overtime, would be an individual matter between him and the boss.

Under this "free competition" for labor, there would be no strikes. The only choice would be to accept the company's terms or quit.

This was the way things were, in the 19th century, before unions developed their "monopoly power."

Things are different today, because workers banded together in unions. Because they refused to work without a collective agreement. Because they dared even to strike -- collectively -- to achieve their goals.

This collective action is what labor's critics are really attacking when they denounce the unions' "monopoly power."

- 12) Unions are alleged to have too much economic power and, therefore, to be responsible for rising prices or for business depressions or for both. On historical grounds one should be suspicious of this argument, in view of the fact that our worst experience with price inflation and with business depressions have occurred at times when labor unions were either nonexistent or weak.